

Missouri Department of Social Services

MISSOURI MEDICAID AUDIT AND COMPLIANCE



OWNERSHIP APPLICATION

PROVIDER ENROLLMENT

Visit us at: www.mmac.mo.gov

Email: MMAC.ProviderEnrollment@dss.mo.gov

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

INSTRUCTIONS AND EXAMPLES

This application is to be completed with information about any individual or organization that has direct or indirect ownership of, a partnership interest in, and/or managing control of the provider. If there is more than one individual or organization, copy and complete this section for each. Note that the provider must have at least one managing employee.

If adding, deleting, or changing information on an existing owner, partner, or managing organization, check the appropriate box, indicate the effective date of the change, complete the appropriate fields in this section, and sign and date the certification statement.

OWNERSHIP

Ownership interest means the possession of equity in the capital, the stock, or the profits of the disclosing entity.

The following ownership interests (individual and organizational) must be reported:

- 5% or greater ownership in a disclosing entity
- 5% or greater direct ownership interest
- 5% or greater indirect ownership interest
- Combination of direct and indirect ownership interest equaling 5% or greater
- 5% or greater mortgage or security interest (includes deed of trust, note, or obligation secured by entity)
- All general partnership interests, regardless of the percentage. This includes: (1) all interests in a non-limited partnership, and (2) all general partnership interests in a limited partnership.
- Limited partnership interest if the individual's interest in the partnership is at least 10%.
- Officers and Directors, if the entity is organized as a corporation.

1. Ownership

Organizational type/structure and ownership

2. Individual ownership interest information

All managing employees of the provider must be reported. The term “*managing employee*” means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts, the day-to-day operations of the provider, either under contract or through some other arrangement, regardless of whether the individual is a W-2 employee of the provider.

3. Organizational ownership interest information

Organizational disclosures are mandated by Federal and State Regulation. The disclosures shall include the name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agent, or managed care entity. The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address. (§455.104 -455.106 CFR).

4. Ownership/Managing Control Information

A. Direct Ownership Interest

Examples of direct ownership are as follows:

- The provider is a skilled nursing facility that is wholly (100%) owned by Company A. As such, the provider would have to report Company A in this section.

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

- A hospice wants to enroll in Medicare. Company X owns 50% of the hospice. Company X would have to be reported in this section.

In the first example, Company A is considered a direct owner of the skilled nursing facility, in that it actually owns the assets of the business. Similarly, Company X is a direct owner of the hospice mentioned in the second example. It has 50% actual ownership of the hospice.

B. Indirect Ownership Interest

Many organizations that directly own a provider are themselves wholly or partly owned by other organizations (or even individuals). This is often the result of the use of holding companies and parent/subsidiary relationships. Such organizations and individuals are considered to be “indirect” owners of the provider. Using the first example in #1 above, if Company B owned 100% of Company A, Company B is considered to be an indirect owner of the provider. In other words, a direct owner has an actual ownership interest in the provider (e.g., owns stock in the business, etc.), whereas an indirect owner has an ownership interest in an organization that owns the provider.

Consider the following example of indirect ownership:

EXAMPLE 1: OWNERSHIP

LEVEL 3	Individual X	Individual Y
	5%	30%
LEVEL 2	Company C	Company B
	60%	40%
LEVEL 1	Company A	
	100%	

- Company A owns 100% of the Enrolling Provider
- Company B owns 40% of Company A
- Company C owns 60% of Company A
- Individual X owns 5% of Company C
- Individual Y owns 30% of Company B

In this example, Company A (Level 1) is the direct owner of the provider identified in this application. Companies B and C, as well as Individuals X and Y, are indirect owners of the provider. To calculate ownership shares using the above-cited example, utilize the following steps:

LEVEL 1

The diagram above indicates that Company A owns 100% of the Enrolling Provider. Company A must be reported.

LEVEL 2

To calculate the percentage of ownership held by Company C of the Enrolling Provider, multiply:

- The percentage of ownership the LEVEL 1 owner has in the Enrolling Provider **MULTIPLIED BY** The percentage of ownership the LEVEL 2 owner has in that LEVEL 1 owner
- Company A, the LEVEL 1 (or direct) owner, owns 100% of the provider. The diagram also indicates that Company C, a LEVEL 2 owner, owns 60% of Company A. As such, multiply 100% (or 1.0) by 60% (.60). The result is .60. Therefore, Company C indirectly owns 60% of the provider, and must be reported.
- Repeat the same procedure for Company B, the other LEVEL 2 owner. Because Company B owns 40% of Company A, multiply this figure by 100% (again, the ownership stake Company A has in the Enrolling

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

Provider). Company B thus owns 40% of the Enrolling Provider, and must be reported.

- This process is continued until all LEVEL 2 owners have been accounted for.

LEVEL 3

To calculate the percentage of ownership that Individual X has in the Enrolling Provider, multiply:

- The percentage of ownership the LEVEL 2 owner has in the Enrolling Provider

MULTIPLIED BY

The percentage of ownership the LEVEL 3 owner has in that LEVEL 2 owner

- Company C owns 60% of the provider. According to the example above, Individual X (Level 3) owns 5% of Company C. Therefore, multiply 60% (.60) by 5% (.05), resulting in .03. This means that Individual X owns 3% of the provider and does not need to be reported in this application.
- Repeat this process for Company B, which owns 40% of the provider. The diagram states that Individual Y (Level 3) owns 30% of Company B. We thus multiply 40% (.40) by 30% (.30). The result is .12, or 12%. Because Individual Y owns 12% of the provider, Individual Y must be reported in this application (Individuals).

This process is continued until all owners in LEVEL 3 have been accounted for. This process must be repeated for Levels 4 and beyond.

C. Mortgage Interest

All entities with at least a 5% mortgage, deed of trust, or other security interest in the provider must be reported in this section. To calculate whether this interest meets the 5% threshold, use the following formula:

- Dollar amount of the mortgage, deed of trust, or other obligation secured by the provider or any of the property or assets of the provider

DIVIDED BY

Dollar amount of the total property and assets of the provider

Example: Two years ago, a provider obtained a \$20 million loan from Entity X to add a third floor to its facility. Various assets of the provider secure the mortgage. The total value of the provider's property and assets is \$100 million.

Using the formula described above, divide \$20 million (the dollar amount of the secured mortgage) by \$100 million (the total property and assets of the Enrolling Provider). This results in .20, or 20%. Because Entity X's interest represents at least 5% of the total property and assets of the Enrolling Provider, Entity X must be reported in this section.

D. Security Interest

See Mortgage Interest

E. Partnerships

All general partnership interests—regardless of the percentage—must be reported. This includes: (1) all interests in a non-limited partnership, and (2) all general partnership interests in a limited partnership.

F. Limited Partnerships

All general partnership interests—regardless of the percentage—must be reported. This includes: (1) all interests in a non-limited partnership, and (2) all general partnership interests in a limited partnership.

For limited partnerships, all limited partners must be reported if their interest in the partnership is at least 10%. To illustrate, assume a provider is a limited partnership. The general partner has a 60% interest in the entity, while the 4

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

limited partners each own 10%. The general partnership must be reported in this application. Likewise, the 4 limited partners must be reported, as they each own at least 10% of the limited partnership.

G. Additional Information on Ownership

All entities that meet any the requirements above must be reported in this section, including, but not limited to:

- Entities with an investment interest in the provider (e.g., investment firms)
- Banks and financial institutions (e.g., mortgage interests)
- Holding companies
- Trusts and trustees
- Governmental/Tribal Organizations: If a Federal, State, county, city or other level of government, will be legally and financially responsible for Medicare payments received (including any potential overpayments), the name of that government must be reported as an owner. The provider must submit a letter on the letterhead of the responsible government (e.g., government agency) or tribal organization, which attests that the government or tribal organization will be legally and financially responsible in the event that there is any outstanding debt owed to CMS. This letter must be signed by an "authorized official" of the government or tribal organization who has the authority to legally and financially bind the government or tribal organization to the laws, regulations, and program instructions of Medicare.
- Charitable and Religious Organizations: Many non-profit organizations are charitable or religious in nature, and are operated and/or managed by a Board of Trustees or other governing body. The actual name of the Board of Trustees or other governing body should be reported in this section.

In addition to furnishing the information in this section, the provider must submit:

- An organizational diagram identifying all of the entities listed in this section and their relationships with the provider and with each other.
- If the provider is a skilled nursing facility, a diagram identifying the organizational structures of all of its owners, including owners that were not required to be listed in this section or individual section.

H. Operational/Managerial Control

Any organization that exercises operational or managerial control over the provider, or conducts the day-to-day operations of the provider, is a managing organization and must be reported. The organization need not have an ownership interest in the provider in order to qualify as a managing organization. For instance, it could be a management services organization under contract with the provider to furnish management services for the business.

5. Adverse Legal History

This section is to be completed with any adverse legal history information about any ownership organization, partnership and/or organization with managing control of the provider identified in this application.

IF YOU ARE COMPLETEING AN **ONLINE APPLICATION FAX THE COMPLETED FORM** WITH YOUR ADDITIONAL APPLICATION FORMS.

OTHERWISE PLEASE MAIL FORM TO:

MISSOURI MEDICAID AUDIT & COMPLIANCE UNIT
P.O. BOX 6500
JEFFERSON CITY, MO 65102

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

OWNERSHIP APPLICATION (use for new, reactivation, update, or change)

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete **all** the appropriate following section(s).

NEW

UPDATE

CHANGE OF OWNERSHIP (CHOW)

EFFECTIVE DATE:

1. OWNERSHIP

How would you describe the ownership? *

Self (Individual filing under a SSN)

Single-Owner, LLC

Sole -Proprietor (Individual filing under an EIN)

Partnership

Corporation

Bank or Other Financial Institution

Consulting Firm

Investment Firm

Limited Liability Company

For-Profit

Non-Profit

Holding Company

Management Services Company

Medical Provider/Supplier

Medical Staffing Company

Other (please specify): _____

Corporations, Partnerships, and Sole Proprietors:

Does anyone have direct or indirect ownership or control interest of 5% or more in the organization/entity?

Yes

No

If you answered yes to the above question you must list ownership information for each owner who owns 5% or more.

2. INDIVIDUAL INFORMATION

Ownership 1

Last Name

First Name

Middle Initial

Suffix

Social Security Number (required)

Date of Birth

Place of Birth (State)

Country of Birth

Address Line 1 (Street Name and Number)

Address Line 2 (Suite, Room, etc.)

City/Town

State

ZIP Code + 4

Ownership %

Contact Person:

Contact E-mail:

Phone:

Business Phone:

Fax Number:

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

Business Relationship to Enrolling Provider (Title) Familial Relationship to Enrolling Provider (i.e. Mother, Father, Sister, Brother, etc)*

National Provider Identifier -NPI (required *-if issued*)

Tax Identification Number (required)

Medicare I.D. Number(s) *(if issued)*

Provider Number (if applicable)

State Issued

3. ORGANIZATIONAL INFORMATION

Legal Business Name as Reported to the Internal Revenue Service

“Doing Business As” Name (if applicable)

Address Line 1 (Street Name and Number)

Address Line 2 (Suite, Room, etc.)

City/Town

State

ZIP Code + 4

Ownership %

Contact Person:

Contact E-mail:

Business Phone:

Fax Number:

National Provider Identifier -NPI (required *-if issued*)

Tax Identification Number (required)

Medicare I.D. Number(s) *(if issued)*

Provider Number (if applicable)

State Issued

CLIA Number *(if issued)*

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

4. OWNERSHIP/MANAGING CONTROL INFORMATION

Identify the type of ownership and/or managing control the individual or organization identified in the above sections has in the provider identified in the provider enrollment application. Check all that apply. Complete all information for each type of ownership and/or managing control applicable.

A. DIRECT OWNERSHIP INTEREST

5% or greater direct ownership interest

Effective date of 5% or greater direct ownership interest (mm/dd/yyyy)

Exact percentage of direct ownership this organization has in the provider

Was this organization solely created to acquire/buy the provider and/or the provider's assets?

YES NO

If this organization also provides contracted services to the provider, describe the types of services furnished (e.g., managerial, billing, consultative, medical personnel staffing).

B. INDIRECT OWNERSHIP INTEREST

5% or greater indirect ownership interest

Effective date of 5% or greater indirect ownership interest (mm/dd/yyyy)

Exact percentage of indirect ownership this organization has in the provider

Was this organization solely created to acquire/buy the provider and/or the provider's assets?

YES NO

If this organization also provides contracted services to the provider, describe the types of services furnished (e.g., managerial, billing, consultative, medical personnel staffing).

C. MORTGAGE INTEREST

5% or greater MORTGAGE interest

Effective date of 5% or greater mortgage ownership interest (mm/dd/yyyy)

Exact percentage of mortgage interest this organization has in the provider

Was this organization solely created to acquire/buy the provider and/or the provider's assets?

YES NO

If this organization also provides contracted services to the provider, describe the types of services furnished (e.g., managerial, billing, consultative, medical personnel staffing).

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

D. SECURITY INTEREST

5% or greater SECURITY interest

Effective date of 5% or greater security interest (mm/dd/yyyy)

Exact percentage of security interest this organization has in the provider

Was this organization solely created to acquire/buy the provider and/or the provider's assets?

YES NO

If this organization also provides contracted services to the provider, describe the types of services furnished (e.g., managerial, billing, consultative, medical personnel staffing).

E. GENERAL PARTNERSHIP INTEREST

5% or greater GENERAL PARTNERSHIP interest

Effective date of general partnership interest (mm/dd/yyyy)

Exact percentage of general partnership interest this organization has in the provider

Was this general partnership solely created to acquire/buy the provider and/or the provider's assets?

YES NO

If this general partnership also provides contracted services to the provider, describe the types of services furnished (e.g., managerial, billing, consultative, medical personnel staffing).

F. LIMITED PARTNERSHIP INTEREST

5% or greater LIMITED PARTNERSHIP interest

Effective date of limited partnership interest (mm/dd/yyyy)

Exact percentage of limited partnership interest this organization has in the provider

Was this limited partnership solely created to acquire/buy the provider and/or the provider's assets?

YES NO

If this limited partnership also provides contracted services to the provider, describe the types of services furnished (e.g., managerial, billing, consultative, medical personnel staffing).

G. OPERATIONAL/MANAGERIAL CONTROL

5% or greater OPERATIONAL/MANAGERIAL CONTROL

Effective date of the operational/managerial control (mm/dd/yyyy)

Exact percentage of operational/managerial control this organization has in the provider

Was this organization solely created to acquire/buy the provider and/or the provider's assets?

YES NO

OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION

If this limited partnership also provides contracted services to the provider, describe the types of services furnished (e.g., managerial, billing, consultative, medical personnel staffing).

H. OTHER OWNERSHIP OR CONTROL/INTEREST (please specify)

5% or greater OTHER OWNESHIP OR CONTROL/INTEREST

Effective date of other ownership or control/interest control (mm/dd/yyyy)

Exact percentage of ownership or control/interest control this organization has in the provider

Was this organization solely created to acquire/buy the provider and/or the provider's assets?

YES NO

If this organization also provides contracted services to the provider, describe the types of services furnished (e.g., managerial, billing, consultative, medical personnel staffing).

5. FINAL ADVERSE LEGAL ACTION HISTORY

If reporting a change to existing information, check "Change," provide the effective date of the change, and complete the appropriate fields in this section.

Change Effective Date:

Has the organization reported in above, under any current or former name or business identity, ever had a final adverse legal action imposed against it?

YES (continue below) NO

If YES, report each final adverse legal action, when it occurred, the Federal or State Agency or the court/administrative body that imposed the action, and the resolution, if any.

Attach a copy of the final adverse legal action documentation and resolution

FINAL ADVERSE LEGAL ACTION	DATE	TAKEN BY	RESOLUTION

In Affirmation thereof, the facts stated above are true and correct: (The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

Authorized signature

Printed Name

Title

Date